

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 07048 042116Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 PA-01 PRS-01 /082 W
-----093143 050639Z /10

R 042109Z AUG 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 4339
INFO AMCONSUL MONTREAL
ALL OTHER CANADIAN CONSULS (BY POUCH)

LIMITED OFFICIAL USE OTTAWA 07048

E.O. 11652:N/A
TAGS: EAL, ECON, ELAB, CA
SUBJECT: GOC MEETS WITH LABOR AND BUSINESS ON WAGE/PRICE
DECONTROLS

1. PRIME MINISTER TRUDEAU AND SENIOR CABINET MEMBERS MET JULY 29 WITH BUSINESS COUNCIL ON NATIONAL ISSUES (BCNI) UNDER LEADERSHIP OF A.J. GRANDPRE, CHAIRMAN BELL CANADA, AND CANADIAN LABOUR CONGRESS (CLC) DELEGATION HEADED BY JOE MORRIS IN NEW EFFORT TO REACH CONSENSUS ON ENDING WAGE AND PRICE CONTROLS. ROBERT ARMSTRONG, CHAIRMAN, POLICY COORDINATION GROUP AT LABOR DEPARTMENT, WHO DEBRIEFED LABATT ON MEETING, EMPHASIZED THAT GOC SOUGHT THREE COMMITMENTS AS PRECONDITION FOR INITIATING DECONTROL PHASE. GOC ASKED FOR AGREEMENT TO ESTABLISH A CONSULTATIVE

FORUM INCLUDING FIVE GOVERNMENT, TEN BUSINESS, TEN LABOR REPRESENTATIVES, AND FIVE FROM OTHER INTEREST GROUPS. SECONDLY, GOC WANTS LABOR AND BUSINESS CONCURRENCE IN SETTING UP A MONITORING AGENCY THAT WOULD HAVE AUTHORITY TO INVESTIGATE AND PUBLICIZE EXCEPTIONALLY LARGE WAGE AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 07048 042116Z

PRICE INCREASES, BUT WOULD BE WITHOUT ROLLBACK ENFORCEMENT POWERS. THIRDLY, A COMMITMENT BY LABOR AND BUSINESS TO EXERCISE VOLUNTARY RESTRAINTS TO KEEP INFLATION IN CHECK. GOC IS NOW AWARE THAT NEITHER LABOR NOR BUSINESS CAN OBTAIN RIGID PROMISES FOR PRICE AND WAGE INCREASES FROM THEIR RESPECTIVE CONSTITUENCIES. THEREFORE, GOVERNMENT WOULD SETTLE FOR A GENERAL AGREEMENT UNDER WHICH BCNI AND

CLC WOULD URGE ITS AFFILIATES TO HOLD INCREASES TO APPROXIMATE LEVEL OF RISE IN CONSUMER PRICE INDEX. TRUDEAU ASKED BUSINESS AND LABOR TO MEET WITH HIM AGAIN IN THREE WEEKS TO OBTAIN THEIR RESPECTIVE REPLIES. IF AGREEMENT ON GOC'S THREE PROPOSALS IS REACHED, FINMIN MACDONALD WILL ANNOUNCE END OF CONTROL PROGRAM SOME TIME IN SEPTEMBER.

2. COMMENT: IF BUSINESS AND LABOR REJECT GOC REQUIREMENTS, CONTROLS, WHICH STILL HAVE SOME POPULAR SUPPORT, WILL PROBABLY BE KEPT ON AT LEAST UNTIL SUCH TIME AS INFLATION IS CONSIDERED TO BE BETTER UNDER CONTROL. CANADIAN LABOUR CONGRESS, WHICH HAS BEEN IN FOREFRONT OF OPPOSITION TO ANTI-INFLATION PROGRAM, HAS CALLED MEETING OF ALL ITS AFFILIATES FOR AUGUST 11. DILEMMA FOR CLC, AND TO A LESSER EXTENT FOR BUSINESS, WILL BE EITHER ACCEPTING VOLUNTARY RESTRAINTS OR POSSIBLY FACING CONTINUATION OF CONTROLS FOR UP TO 16 MONTHS WHEN ANTI-INFLATION PROGRAM LEGISLATION EXPIRES. ENDERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WAGES, ECONOMIC PROGRAMS, PRICES, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 04-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OTTAWA07048
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770280-1107
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770897/aaaadebr.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9ba0fc61-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1708792
Secure: OPEN
Status: NATIVE
Subject: GOC MEETS WITH LABOR AND BUSINESS ON WAGE/PRICE DECONTROLS
TAGS: ECON, ELAB, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/9ba0fc61-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009